



“A Sustainability Agenda for New York’s Public Schools”

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**Longwood Central School District's
Regional Legislative Breakfast
Co-sponsored by Eastern Suffolk BOCES**

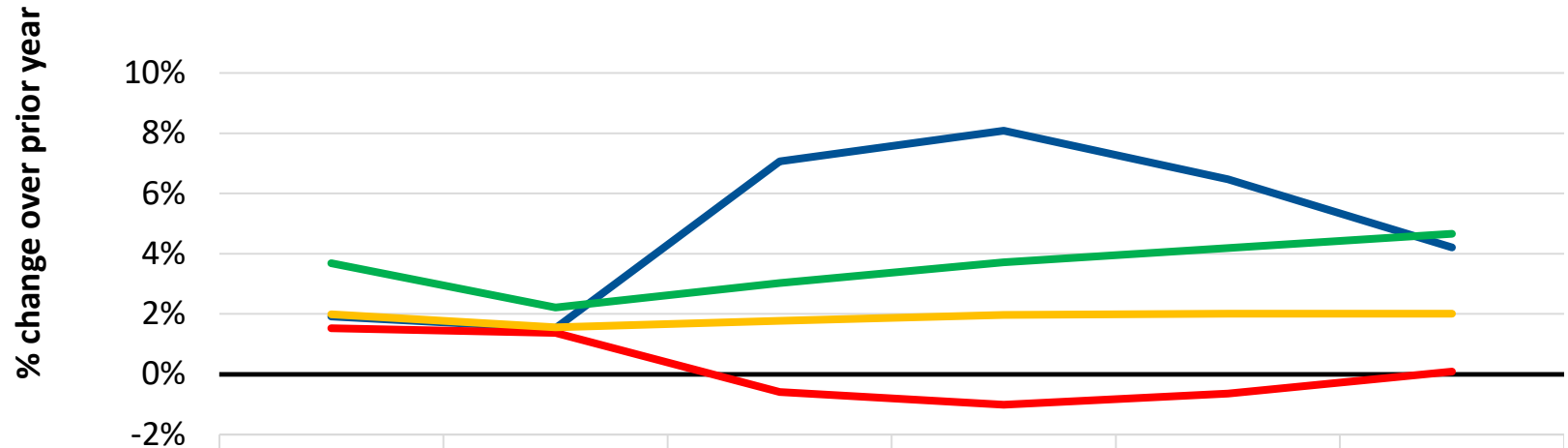
**Longwood Central School District
February 3, 2018**

**Presented By:
Chuck Dedrick, Ed. D.
Executive Director**

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Assistant Director for
Governmental Relations**

How has Education fared in the state budget?

% Change in Major State Operating Funds Areas



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
— School Aid	1.9%	1.5%	7.1%	8.1%	6.5%	4.2%
— Medicaid	3.7%	2.2%	3.0%	3.7%	4.2%	4.7%
— All else	1.5%	1.4%	-0.6%	-1.0%	-0.6%	0.1%
— Total Budget	2.0%	1.6%	1.8%	2.0%	2.0%	2.0%

SOURCE: NYS Division of the Budget, Enacted Budget Financial Plans for years 2012-13 through 2017-18



The State Budget Outlook!

State Budget Outlook: “Volatile and Uncertain”

- Budget Division Mid-Year Update (November 2017) projected a \$4.4 billion structural deficit for 2018-19 – equivalent to about 4.3% of projected expenditures (corresponding projection for one year ago: 2.7%).
- The State Comptroller projected 2018-19 tax receipts to be \$3.3 billion *less* than the Budget Division.
- Executive Budget (January 2018) increased 2017-18 tax receipts estimate by \$1.9 billion, lowered 2018-19 estimate by same amount.
- Projections do **not** incorporate assumptions about impact of federal tax legislation **or** possible federal (in)action on health funding.



State derives 42% of its Personal Income Tax revenue from 1% of its taxpayers; ~ 250 taxpayers leaving could cost the state \$500 million.

Federal and State Funding Contingencies

- Continues 2017-18 provision authorizing DOB to enact mid-year cuts, absent alternative legislative proposal, if federal revenue decline of more than \$850 million in Medicaid, or \$850 million in other funding sources.
- Proposes new authority for DOB to reduce appropriations if annual estimate of receipts are off by \$500 million. School aid exempt.



THE GREAT UNKNOWN

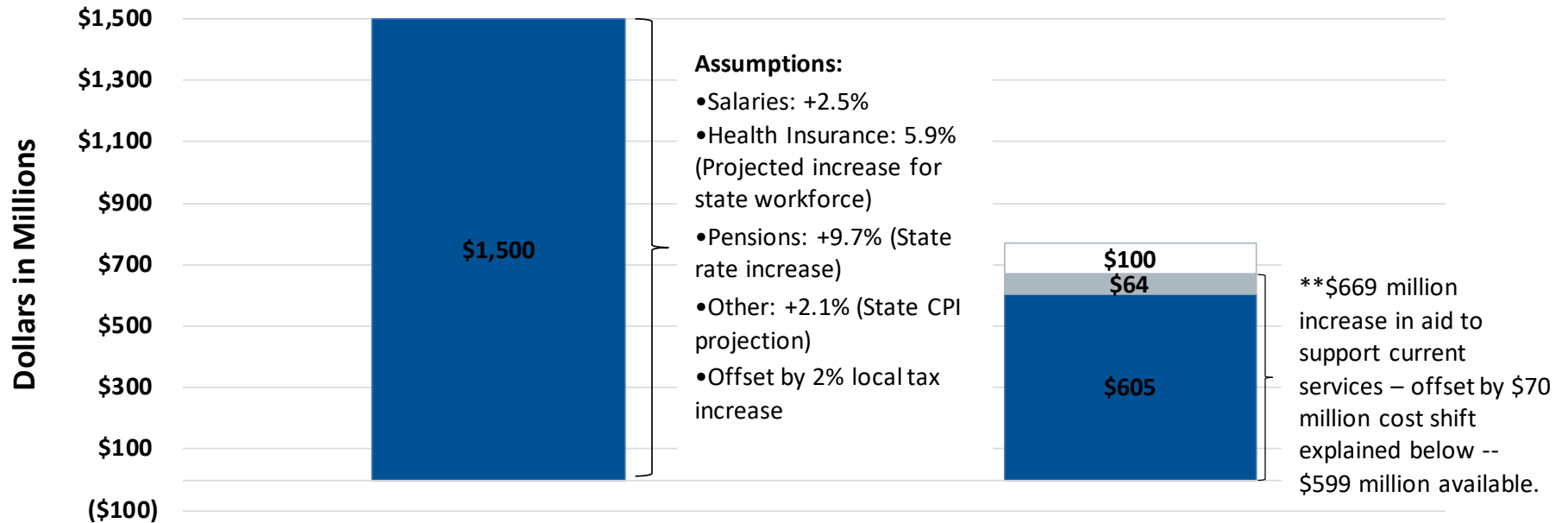
New Federal Tax Legislation

Comparing the Executive Budget and the Educational Conference Board’s “Current Services” Estimate*

□ Categorical Initiatives (Including new \$50m Community Schools Set-Aside) ■ Fiscal Stabilization Fund ■ Regular School Aid

Educational Conference Board
\$1.5 billion
(Current Services Estimate)

Executive Budget
\$769 million**



* ECB also recommends \$500 million for targeted priorities.

SOURCE: Compiled from ECB and Division of the Budget publications.

A \$769 million (3.0%) Increase in School Aid

Aid Category	Increase in Millions
Foundation Aid	\$338
New \$50 million Community Schools set-side	
Expense-Based and Other Aids	317
Fiscal Stabilization Fund (to be allocated in final budget)	64
Expanded Prekindergarten for 3 & 4 year-Olds	15
Empire State After-School Program	10
Early College High Schools	9
Smart Start Computer Science Initiatives	6
Breakfast After the Bell	5
Expanded AP/IB Access	2.5
<u>Other Initiatives</u>	<u>2.5</u>
	\$769

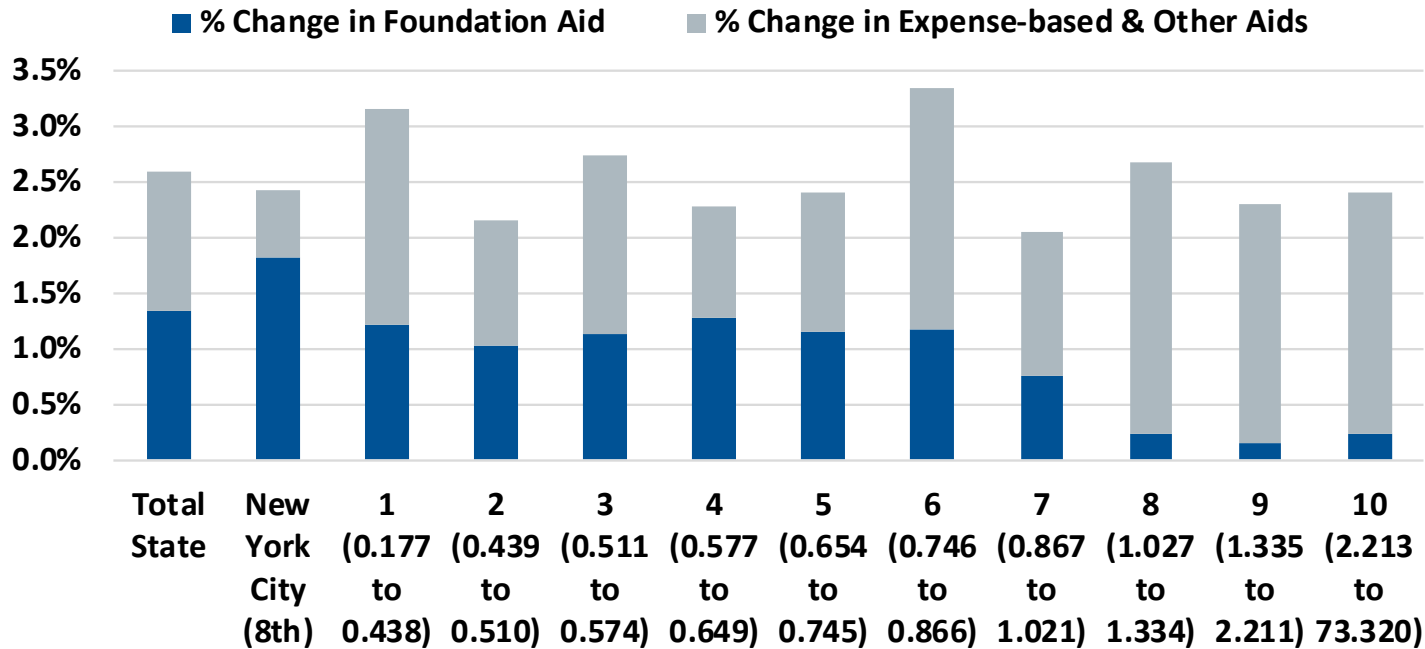
\$719 million in traditional “School Aid”

- Includes \$50 million for Community Schools
- Offset by \$70 million cost shift (explained below)
- ***\$599 million remaining increase (2.3%) to support ongoing costs***

Composition of proposed Aid increase

Districts grouped by Combined Wealth Ratio Percentile

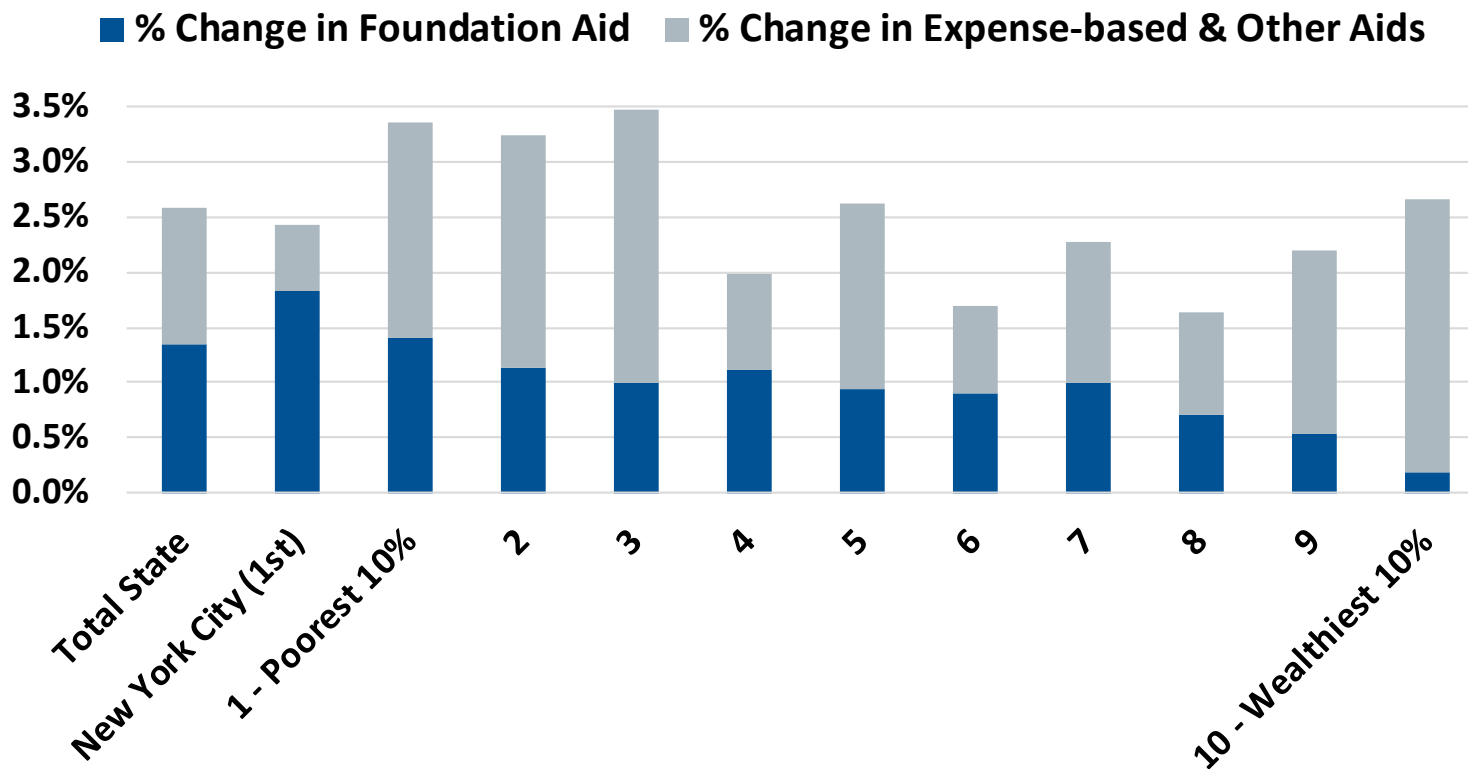
Composition of Proposed Aid Increase Districts grouped by Combined Wealth Ratio Decile



SOURCE: Council analysis of NYSED School Aid data.

Composition of proposed Aid increase

Districts grouped by % K-6 Pupils Eligible for Free-Reduced Price Lunch Percentile



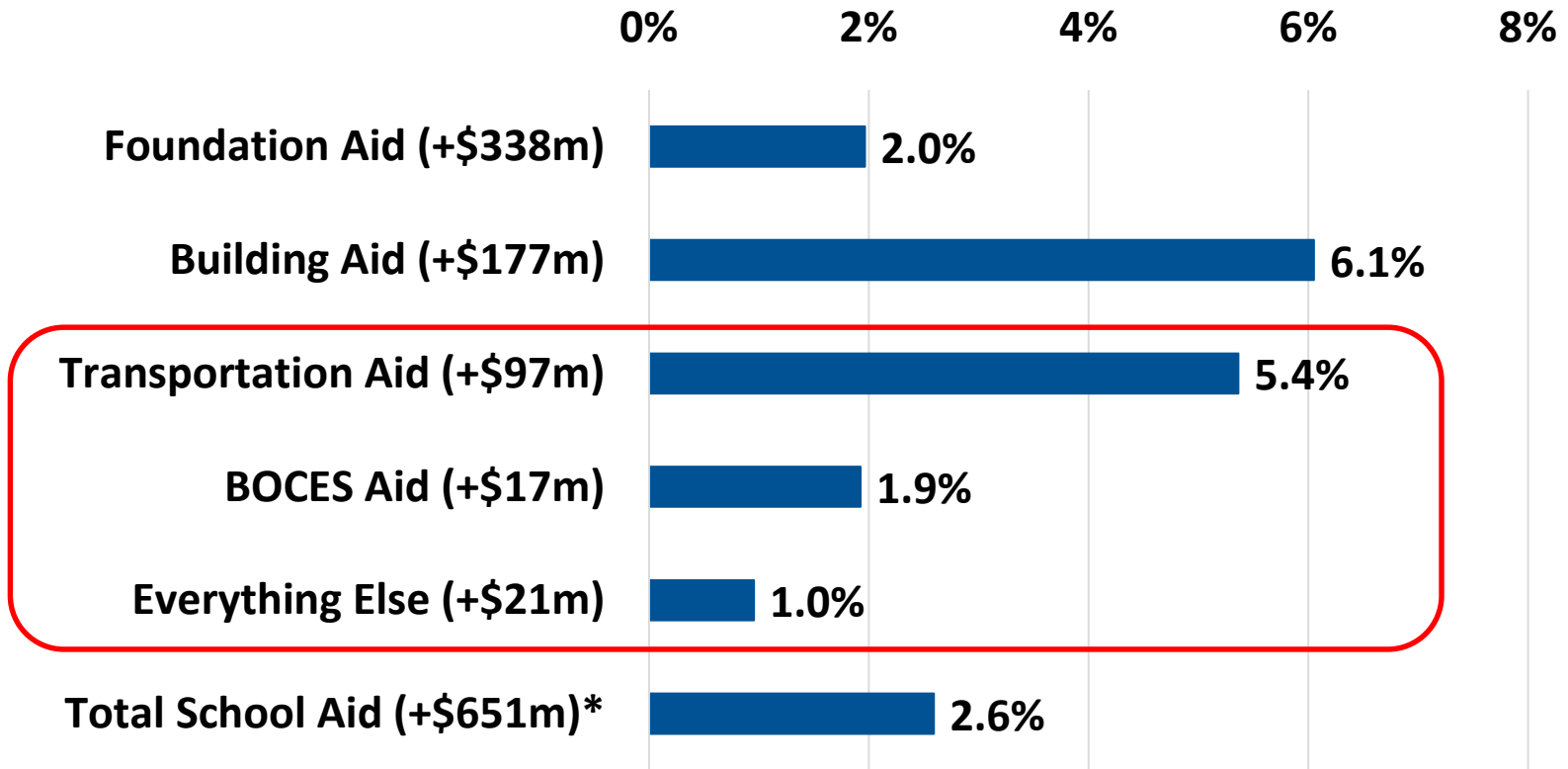
SOURCE: Council analysis of NYSED School Aid data.

Capping Expense-Based Aids

— starting with 2019-20 Aid

- Increases in Transportation and BOCES Aid would be capped at 2% for each district – districts would lose any increase over 2 percent.
 - In effect, districts would receive the lesser of calculated aid or 2017-18 aid plus 2%.
- Increases in Building Aid would be capped at 2% statewide, excluding New York City (initially).
 - If the statewide total increase in Building Aid exceeds 2%, each district would have its Building Aid pro-rated down.
 - New York City would be exempt from this adjustment for projects approved prior to 7/1/2018.

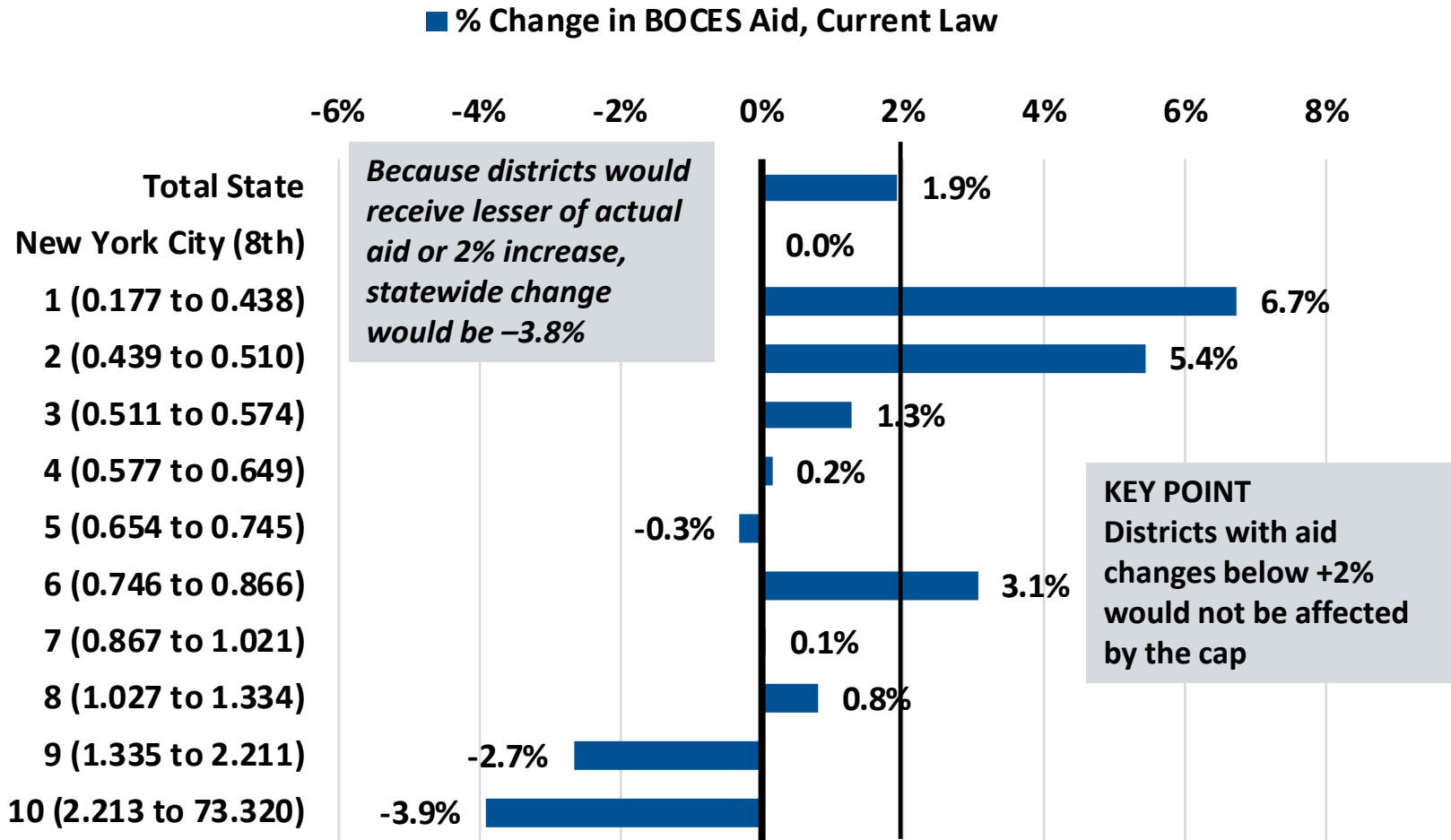
Increases in Selected Aid Categories 2018-19 Executive Budget



*Aids appearing on School Aid run

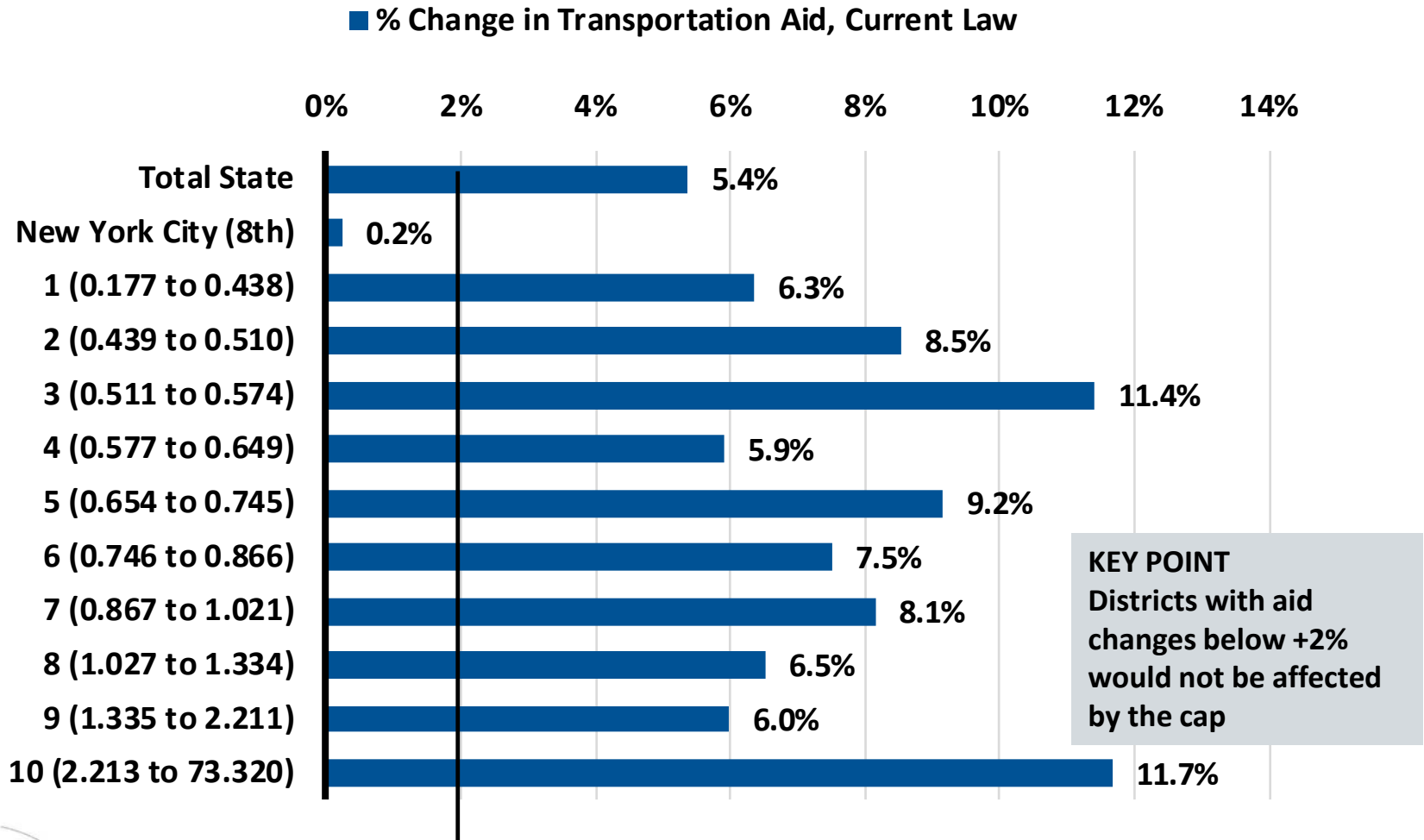
SOURCE: Council analysis of NYSED School Aid data.

Impact of Proposed Cap on BOCES Aid, if in Place for 2018-19 Aid (\$51 million loss)



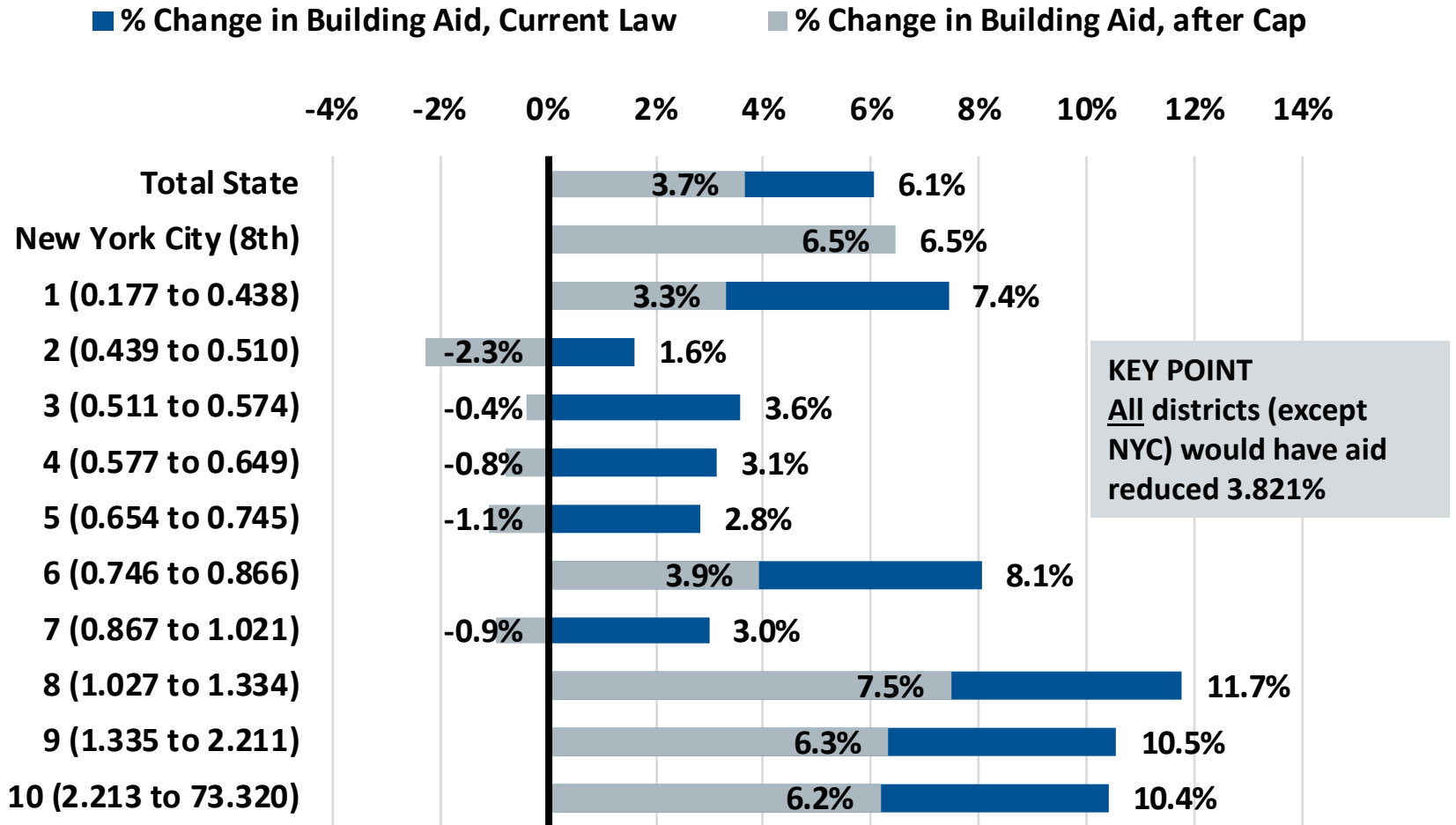
SOURCE: Council analysis of NYSED School Aid data.

Impact of Proposed Cap on Transportation Aid, if in Place for 2018-19 Aid (\$80 million loss)



SOURCE: Council analysis of NYSED School Aid data.

Impact of Proposed Cap on Building Aid, if in Place for 2018-19 Aid (\$70 million loss)

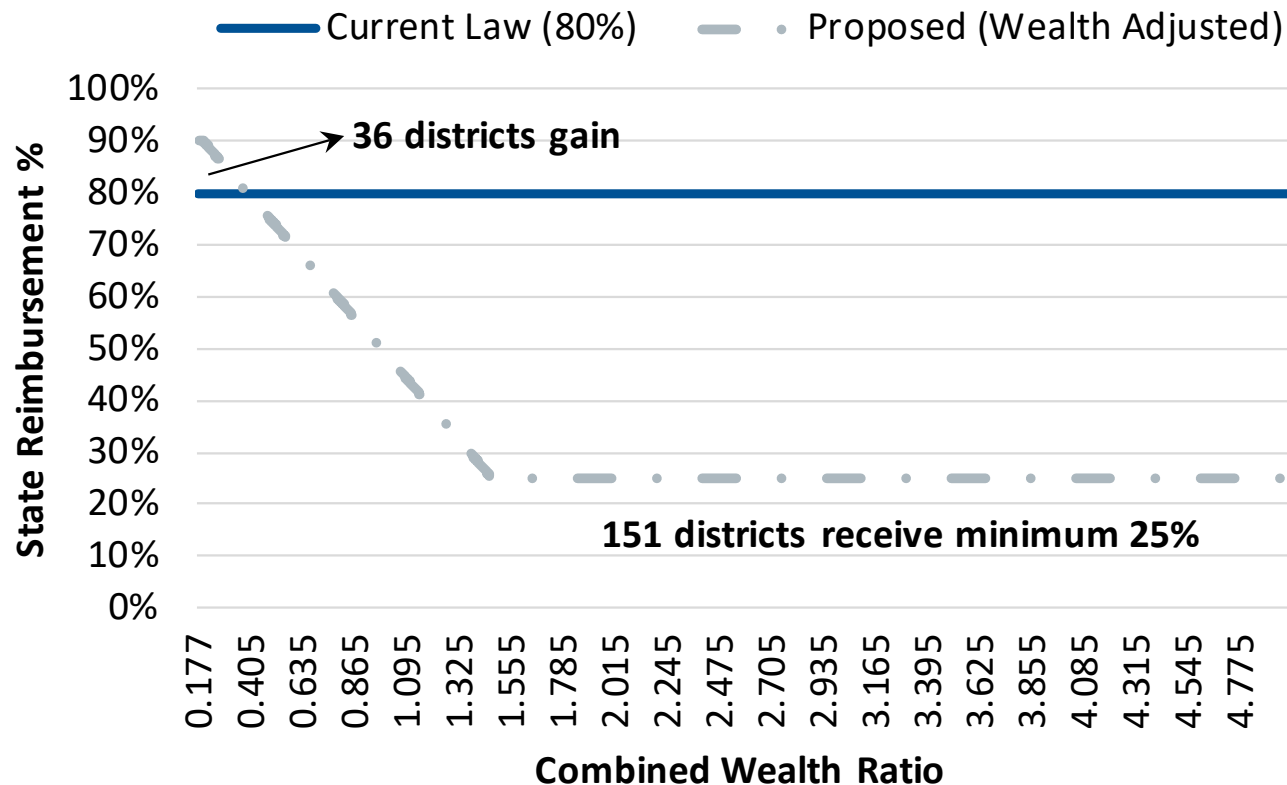


SOURCE: Council analysis of NYSED School Aid data.

Summer Special Education Cost Shift

Estimated impact of \$70 million for schools in 2018-19

Proposed Change in State Reimbursement Rate for School-Age Summer Special Education



State Control of Local Budgets

- Proposal would require certain districts to gain approval for methodology for allocating funds among schools from SED and DOB
 - Big 5 in 2018-19
 - 10 other districts in 2019-20 – including Brentwood
- No increase in school aid if plan not approved
- ESSA Reporting Requirement
- SED Capacity
- Local Control

Breakfast After the Bell

- Mandate for all school buildings with at least 70% FRPL to offer breakfast after the instructional day has begun
- \$5 million to support the schools in implementing and \$7 million in capital funding for coolers and vending machines
- Mandate and unclear if state and federal funding will cover the mandate
- Lunch reimbursement will grow to 25 cents/meal in 19-20 if district purchases at least 30% of food from NY farmers and growers.

Lunch Shaming

- Prohibits differential treatment of students regarding school meals
- Staff training and new notification protocols
 - Including direct outreach to parents when insufficient funds to purchase school meals.
- Greater school role in enrolling students as Freed/Reduced-Price Lunch
- Mandatory policies regarding handling of student with meal debt

Charter Schools

- Basic tuition will increase. Tuition has been frozen but new formula last year unfroze it and increases are linked to district spending
- \$140 million for supplemental tuition (eliminates NYC reimbursement)
- \$6 million for facilities reimbursement to NYC
- \$22.6 million for NYC charters
- *Continual increase of state funding to support charters – affects state’s capacity to fund district schools*



LOSING GROUND

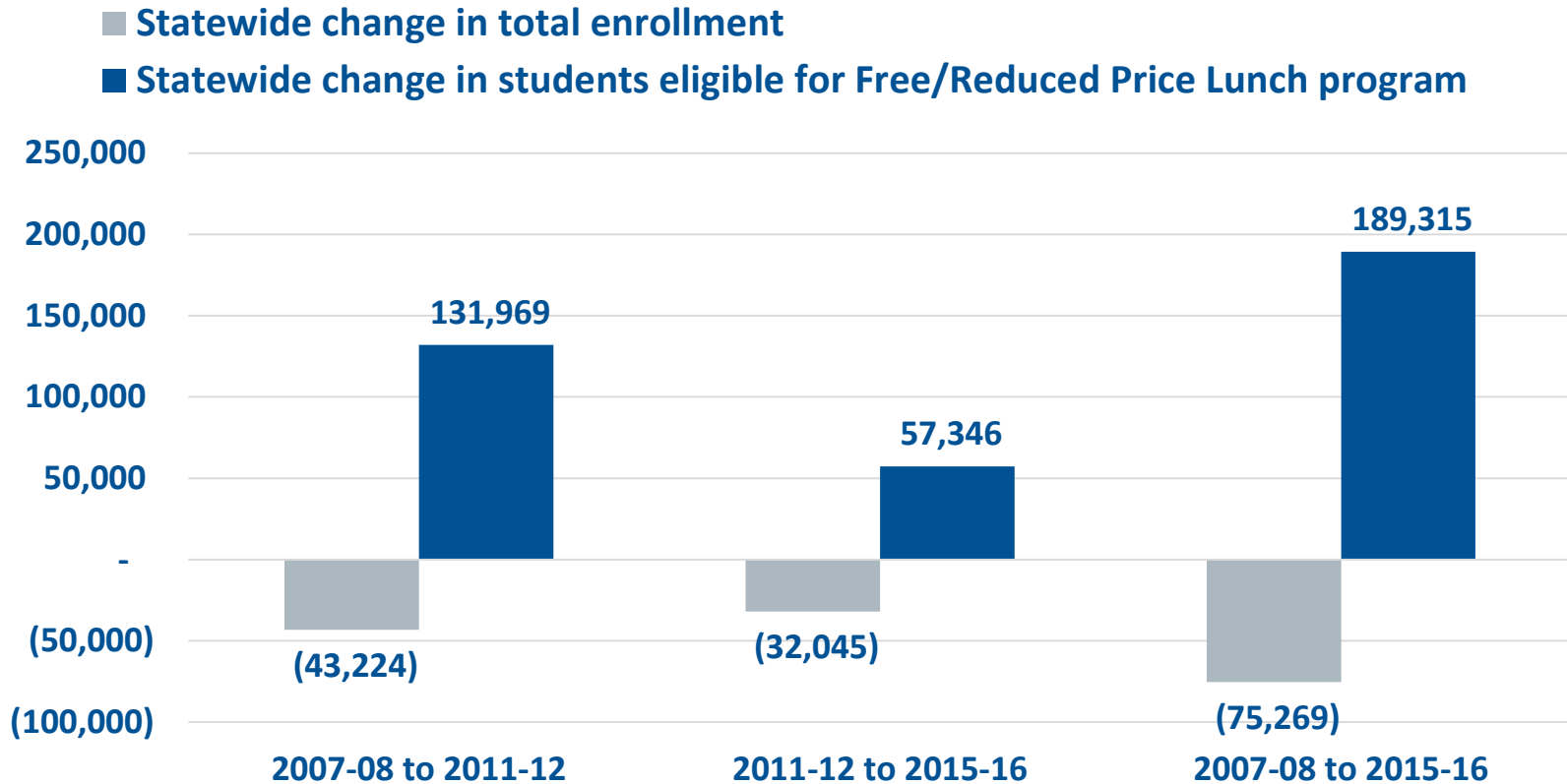
MODEST IMPROVEMENTS IN THE
FINANCIAL CONDITION OF NEW
YORK'S PUBLIC SCHOOLS ARE NOT
KEEPING PACE WITH THE NEEDS
OF THE CHILDREN THEY SERVE



SEVENTH ANNUAL SURVEY
OF NEW YORK STATE SCHOOL
SUPERINTENDENTS ON
FINANCIAL MATTERS

OCTOBER 2017

Enrollment vs. Poverty

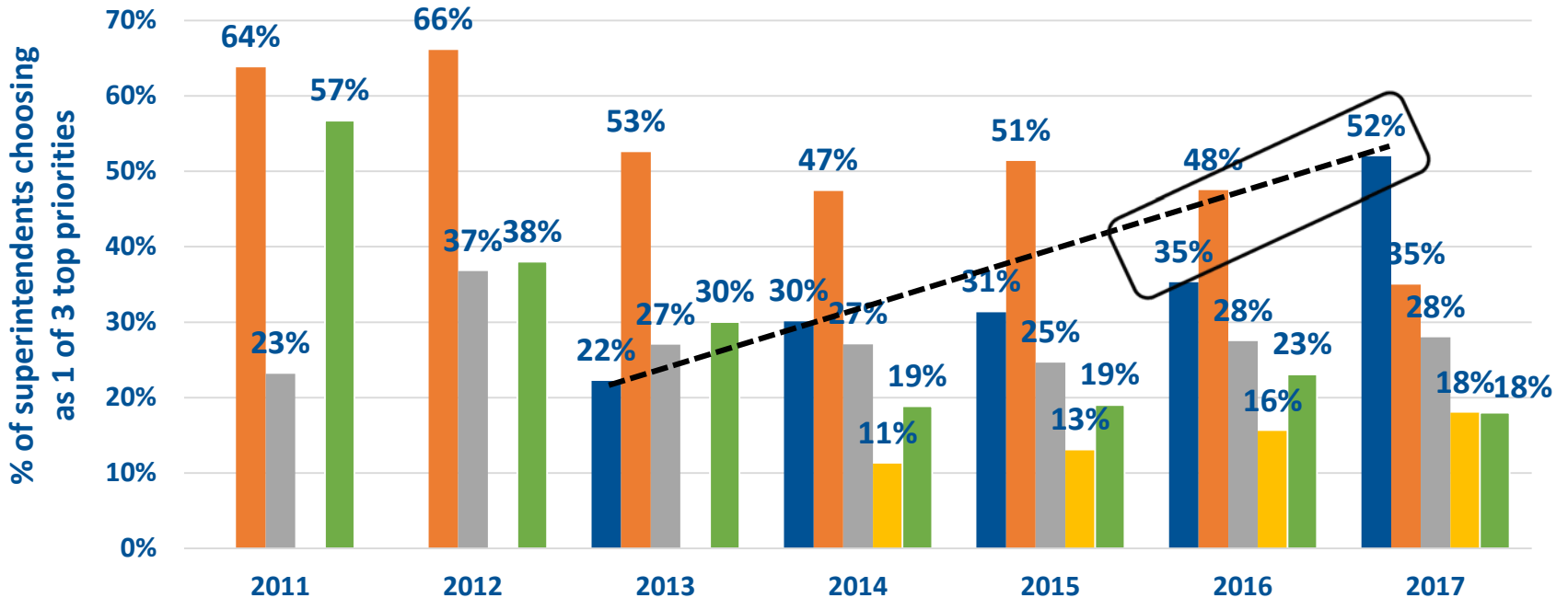


SOURCE: Kids' Well-Being Indicator Clearinghouse, NYS Council on Children and Families, Web. 28 September 2017

Growing Student Needs:

If your district were to receive a funding increase beyond what would support current operations, what would be your top 3 priorities?

- Increase counseling, social work, or mental health or similar services for students
- Increase extra academic help for struggling students
- Increase enrichment/advanced classes
- Expand or initiate prekindergarten
- Reduce property tax levy



A Sustainability Agenda for New York's Public Schools

JANUARY 2018

New York's state constitution promises "...a system of free common schools, wherein all the children of this state may be educated." Due in part to actions being taken by the federal government, the state's fiscal outlook now is exceptionally uncertain. More than ever, New York's public schools need action on an agenda to promote a more financially sustainable future and to enable them to fulfill the promise of our constitution.

A sustainability agenda should comprise:

- 1. Foundation Aid:** Update and phase-in the Foundation Aid formula.
- 2. Property Tax Cap:** Adjust the cap to give school districts more predictability in this major revenue source.
- 3. Maximizing Resources:** Change laws and regulations to help schools reduce or control costs and maximize the benefit for students from existing resources.
- 4. Reserves:** Give schools access to reserves comparable to those already available to municipalities.

Doing less on any of the items would require doing more on others. For example, failing to act on changes to the tax cap or state-driven costs would require doing more on state aid. Part of THE COUNCIL'S message is *change the rules or fund the rules*.

Background

Each summer for the past seven years, THE COUNCIL has surveyed superintendents on financial concerns. Our findings can be summed up simply:

- Recent relatively strong increases in state aid have helped some districts begin to restore and even improve services for students.
- But the gains are fragile, by no means universal, and pessimism is widespread among district leaders about future financial prospects for the schools they serve.
- New York State needs an agenda to assure a financially sustainable future for its public schools.

Our 2017 survey requires adding one more highlight: superintendents and other educators are increasingly worried for the children coming to their schools.

THE COUNCIL'S 2015 survey marked a turning point. That year, for the first time, more

A key theme:

*Doing less on any of the
4 items would require
doing more on others:*

*"Change the rules or
fund the rules."*

A Sustainability Agenda

1. State Aid – update and phase-in Foundation Aid, give districts more predictability in aid
2. Tax Cap – amend it to support multi-year planning
3. Mandate Relief – “maximizing resources” to benefit students
4. Reserves – give schools tools like those available to municipalities

Doing less on any item requires doing more on others

- *Example: Inaction on the tax cap or maximizing resources will require continuing large aid increases – “change your rules or fund your rules.”*

Using PISA to measure Student Achievement

Adjusting for Poverty

- **U.S. schools w/ 0-10% poverty scored a combined 551, best in the world (Finland was 2nd@ 536)**
- **U.S. schools w/ 10-24.9% poverty scored 527, top in the world for similar profiles (Canada was 2nd@ 524 and 4th overall)**
- **U.S. scores did not start to drop significantly until poverty got over 25%**

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Thank You

A special thanks to Bob Lowry for his compilation and interpretation of this data.



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